

Cooling, Heating, and Power (CHP)

Peer Review Thermally Activated Technologies
Nashville, TN
May 2, 2002

Presented By:

Leslie E. Farrar (UIC-ERC)









Overview

- Project Overview
- Project Elements
- Next Steps
- Lessons Learned





- Technology Transfer Program
- Concept Born at Roadmap Process
 - Commercial and Institutional CHP
 - Identified by Industry
 - Accepted by DOE
- Pilot Program April 2001
 - Test Concept Commercial/Institutional Applications
 - What Works What Doesn't
 - How Effective
 - Establish Protocol



CHP Target Audience

- Architects/Engineers
- Building/Facility Owners/Operators
- State/Local Officials
 - Energy Offices
 - Utility Commissions
 - Regulators (General Assembly)





Needs Identified Early On

- Educate Target Audience to Benefits
- Influence Changes to Promote CHP
 - Technology
 - Policy
 - Regulatory
- Leverage DOE Activities
 - Distributed Energy
 - Integrated Energy Systems





Working Together in the Midwest

- Midwest CHP Application Center (MAC)
- Midwest CHP Initiative
- DOE Chicago Regional Office
- Environmental Protection Agency
 - CHP Partnership
 - Permitting Guidebook





Working Together in the Midwest

- CHP Workshop
 - Partnership
 - State of Illinois
 - City of Chicago Department of Energy
 - Department of Energy Chicago Regional Office
 - US Environmental Protection Agency
 - Illinois Environmental Protection Agency
 - July 9th Chicago
 - Focus on the Business Case for CHP
 - Targeted to Potential CHP Audience





Working Together in the Midwest

Midwest CHP <u>Application Center</u>

- DOE Funded Project
- UIC/ERC & GTI



Midwest CHP Initiative

- Coalition (Voluntary)
- Founding Members
 - GTI
 - UIC/ERC
 - Delta Institute
 - ELPC
 - NiSource

Promote the Use of CHP in the Midwest





Midwest CHP Initiative

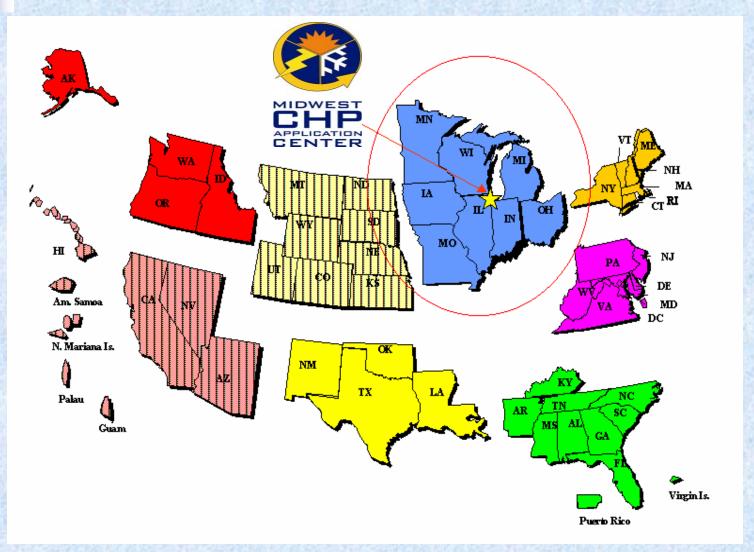
- Voluntary Coalition of Interested Organizations
 - GTI
 - UIC/ERC
 - Delta Institute
 - ELPC
 - US DOE Chicago
 Regional Office
 - NiSource
 - Peoples Energy
 - Northeast/MidwestInstitute

- Illinois DCCA
- Indiana Department of Commerce
- Wisconsin Division of Energy
- Michigan PublicService Commission
- Minnesota Department of Commerce
- US EPA
- US EPA Region V





Midwest Regional Application Center





Vision:

"By the year 2020, CHP for Buildings Will Be the Preferred Method of Energy Utilization In Commercial and Institutional Buildings." --- BCHP Initiative Roadmap

Market Scenario:

The Economic, Reliability, and Emission Drivers are Emerging Whereby CHP for Buildings and Industry Can Be Successful in the Midwest.





Mission:

Develop Technology Application Knowledge and the Educational Infrastructure Necessary to:

- Reduce Perceived Risks
- Foster CHP as a Viable Option
 - Technical and Financial
 - Energy and Environmental

Focus:

- Technology Transfer
- Education
- Information
- Project Assistance





Objective:

- Positively Affect the DOE CHP Challenge in Midwest
 - 10 GW CHP Total
 - 2 GW CHP for Buildings

Goals:

- Expand Technology Breadth
- Increase the Number and Type of Sites in Target Markets
- Increase Installed Capacity
- Formulate State and Local Partnerships





Partnership:

University of Illinois at Chicago
 Energy Resources Center --- UIC/ERC

and

Gas Technology Institute --- GTI

Sponsorship:

DOE Office of Power Technologies
 Office of Distributed Energy Resources

Technical/Program Guidance:

Oak Ridge National Laboratory --- ORNL





Project Elements

- Technology Transfer Getting the Word Out
- Website/Information Repository
- State Baseline Characterizations
- Project Support
- Case Studies
- Application Guidebook





- Association Presentations
 - Midwest Energy Efficiency Alliance (MEEA) (Chicago)
 - Midwest Cogeneration Association (MCA) (Chicago)
 - National Association of Environmental Managers Chicago Chapter
 - Chicagoland Arts and Sciences Energy Consortium (CLASEC)
 - National Organization of State Energy Offices (NASEO)(WDC)
 - American Gas Cooling Center (AGCC) (IL)
 - Association of State Energy Research and Technology Transfer Institutes (ASERTTI)
 - Illinois Capital Development Board (Springfield)





- Conferences and Workshops Presentations
 - DOE Peer Review (WDC)
 - Minnegasco Seminar (MN)
 - USCHP Road Mapping Workshop (MD)
 - International Energy Conference (OH)
 - Midwest Plant Engineering and Maintenance Show (MN)
 - Illinois Governors Energy Policy Cabinet Workshop (IL)
 - Microgeneration to Power Parks Conference (MI)
 - State CHP Workshop (IN)





- Tours of UIC East and West Campus CHP Facilities
 - DOE
 - AGCC
 - ASERTTI
 - MCA
 - Peoples Gas of Florida
 - Primera Engineering





- Co-Hosted "Energy Days" with the Delta Group (Chicago)
 - Six Specific Potential Sites
 - Several Chicago Area Developers,
 Architects, and Engineering Firms
- Hosted Association of State Energy Research and Technology Transfer Institutes (ASERTTI) Meeting
 - One-Day Seminar on CHP





- Interconnection Workshop
 - Co-Hosted with GTI
 - One-Day Workshop
 - Midwest Region State Energy Offices
 - Directed to Individuals Responsible for the Development of Interconnection Requirements
 - Seven Midwest States Participated
 - Feedback Very Positive





- CHP Assessment Training
 - 3-Days
 - Add to Base Assessment Resources
 - Increase Assessment Awareness
 - Attendees
 - MAC Personnel
 - inel GTI
 - ERC Energy AuditorsIDCCA
 - Chicago Department of Environment





- One-on-One Meetings with Target Audience
 - Illinois
 - Indiana
 - Minnesota
 - Ohio



Website

- Beta Version Issued February 2002
 - Included Website Based Site/Contact Database
- Launched Final Version April 2002

www.CHPCenterMW.org





Website - Features

- Audience Focused
- Regional and 8 State Specific Information
- Integrated with National CHP Site
 - Interactive Database of Site Installations and Contacts
 - Technology Animations
 - Interactive Virtual Tours of Test Site



Website - Home Page





aion

Vision of the U.S. Department of Energy and its partners in CHP for buildings is that by the year 2020, CHP for buildings will be the preferred method of energy utilization in

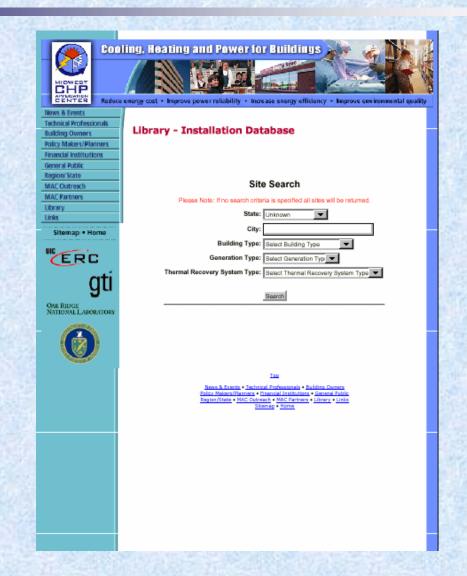
As you move through the site, your current location will be identified by "bread crumbs" along the top of all pages. Available sub-topics will appear in the list of links, on the left of the page, below the link for the major category currently open. The footer for each page also contains links to all the major sections of this Website and the major







Website - Site Search







Website - Installation Database

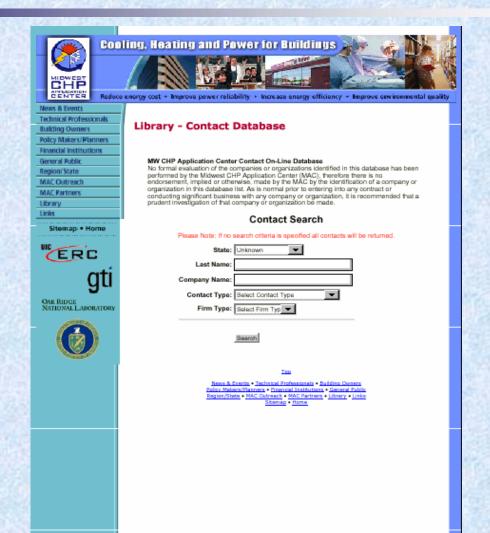








Website - Contact Search









Baseline Characterizations

- By State
 - Illinois and Michigan Completed
- Identify and Assess
 - Current Installations
 - Market Potential
 - Current Energy Policy and Pricing
 - Electricity
 - Natural Gas
 - CHP Partners
 - Status of Deregulation
 - Barriers/Opportunities
- Help Focus Application Center Activities





Site Identification

Installed Kilowatts

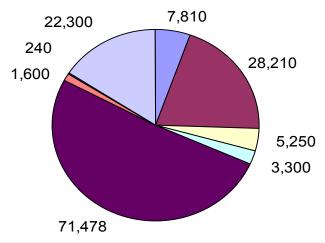
State	Sites	Kilowatts
Illinois	20	48,700+
Michigan	14	6,200+



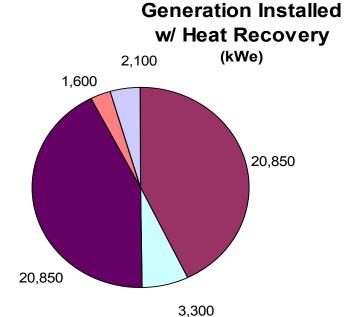
IL Installed DG

Generation Installed (kWe)

Illinois

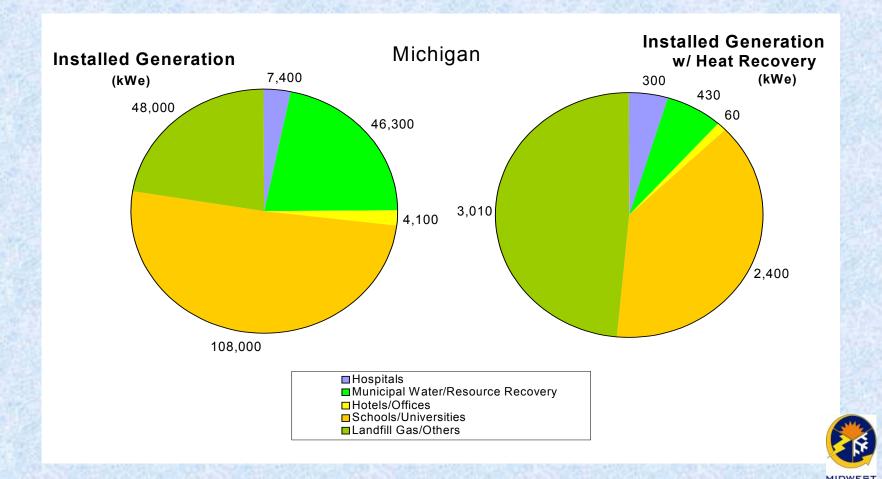














CHP Market Potential

Estimated Theoretical Potential

State	Megawatts	National CHP Goal
Illinois	2,410 to 7,480	24 - 75%
Michigan	2,410 to 7,480	24 - 75%

Source: "The Market and Technical Potential for Combined Heat and Power in the Commercial/Institutional Sector"

-ONSITE Energy Corporation







Average Natural Gas Prices

	Illinois	Michigan
Commercial - Delivered	\$4.84	\$5.81
Industrial - Delivered	\$3.70	\$5.02
Wholesale - City Gate	\$2.46	\$3.68

per 1000 cu. ft.

EIA State Average Prices October 2001





Average Electric Price

	Illinois	Michigan
¢/kWh	6.98¢	7.14¢
\$/MBTU	\$20.45	\$20.92
Rank (Most Expensive in Nation)	17 th	14 th

Average over all customer classes in 1999 Includes demand charges





Baseline Characterizations Conclusions

- Most Effective Deployment
 - State and Local Levels
- Reaffirmed Barriers
 - Lack of Interconnection Standards and Fees
 - Standby Charges and Rates
 - Operating Costs
 - Capital Costs and Payback
- Identified Some Favorable Characteristics
 - Open Access
 - Favorable Alliances
 - Reasonable Market Potential





Baseline Characterizations Recommendations

- Work with Industry Partners to Increase
 Interest In Market Penetration
- Work with Governmental Entities and Associations to Influence the Removal of Regulatory Barriers
- Build Strong Alliances with CHP Partners





Project Support

- Initial Screening Assessments
- Technology Education
- Viable Site Assessment Visits
- Case Studies
- Assist in Project Justification
- Partnership Assistance
- Feasibility Assessments
- SWAT Team Assistance



Project Support

Apply "Expert" Assistance (SWAT Teams) to High Impact Projects to ...

- "Remove Perceived Risk"
- "Identify Technical Solutions"





Project Support Accomplishments

- Technical Assistance Program Developed
 - Project Support by Stages
 - Standard Outreach Information
 - Investigation Viability Assessment
 - Design Bid Detailed Assessment and SWAT
 - Post Commission Case Study
 - Screening Criteria for Each Stage
 - Target Audience
 - Electric/Thermal Compatibility
 - Financial Viability
 - Financial Availability
- CHP Assessment Training





Current Project Involvement

- Commercial
- Institutional

Retail

- High Schools
- Multifamily
- Colleges
- Health Club
- Universities

Museums

 $\sim 100 \text{ MW}_{e}$

- Light Industry
 - Plating and Film Coatings
 - Metal Gear
 - Meat Packing
 - Paper
 - Brewery
 - Refrigeration Coil
 - Chocolate



Case Studies

- Accomplishments
 - Analysis and Framework Protocol Established
 - Case Studies/Fact Sheets Included on Website
 - Website Database Includes Fields for Information from Case Studies
 - Case Study Progress
 - University of Illinois East Campus (Chicago, IL) Completed
 - Beloit Memorial Hospital (Beloit, WI) Draft
 - Dakota Station (Burnsville, MN) In Progress





Application Center Guidebook

- Describes Regional Application Centers
 Implementation and Operation
 - Protocol and Processes
 - Organization and Structure
 - Technical Assistance/SWAT Program
- Tool Kits
- Lessons Learned





Application Center Guidebook

- To Be Used for
 - DOE Establishment of Other Regional Application Centers
 - Information for Others Interested in Establishing CHP Centers
 - Information for State and Local Entities
 Interested in Promoting CHP





Building Strong Alliances and Leverage Activities with CHP Partners and Governmental Entities to ...

- Provide Technical and Financial Assessments
- Provide Technical Project Assistance
- Educate Decision Makers on the Benefits and Feasibility of CHP
- Influence the Removal of Regulatory Barriers
- Establish New Installations
- Continue Technology Transfer Activities





- Further Implementation of the Technical Assistance Program
- Finalize Application Center Guidebook
 - Including a Statement of Work
- Four Additional Case Studies
- Two Journal Articles
- Update/Maintain Website
- Chair the Midwest CHP Initiative



Lessons Learned

- Large Task -- But Doable
 - 75 Years of Thinking to Change
 - Old
 - Electric and Heating/Cooling Separate
 - Improvements Based Equipment Efficiency
 - New
 - Integrated Energy Systems
 - Focus on System Efficiency
 - Deregulation Creates Financial Uncertainties
 - Energy Security and Quality Issues





Lessons Learned

- Local Initiatives
 - Provide Concepts and Ideas
 - Locally Focused Grassroots
 - Voluntary
- Application Centers
 - Provide Structure and Resources
 - Locally Focused
 - Funded
- IES Industry Partnership Needed
 - Coalition to Speak With One Voice
 - Strategic Planning
 - Industry Sponsorship





For Further Information

Midwest CHP Application Center

www.CHPCenterMW.org

Leslie Farrar (UIC/ERC): (312) 413-5448

Midwest CHP Initiative

www.nemw.org/uschpa/regional.htm

Ted Bronson (GTI): (847) 768-0637

DOE – Chicago Regional Office

www.eren.doe.gov/cro/

Gary Nowakowski (DOE Chicago Office): (312) 886-8561

